

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 OPR-02 ABF-01 FS-01 SP-02 AID-05

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R 090930Z SEP 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 5220

INFO AMEMBASSY BANGKOK

AMEMBASSY PARIS

CINCPAC

LIMITED OFFICIAL USE VIENTIANE 5545

BANGKOK/FADPC FOR AL CHIN, USDO

CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: EGEN, EFIN, LA

SUBJ: BANKING SITUATION IN LAOS

1. ALL FOUR PRIVATE BANKS IN VIENTIANE, INCLUDING VIENTIANE BRANCH OF BANQUE DE L'INDOCHINE, HAVE BEEN CLOSED SINCE MORNING OF SEPTEMBER 8 BY LAO POLICE. ACCORDING TO PATHET LAO NEWSPAPER ARTICLE PUBLISHED SEPTEMBER 9, THE VIENTIANE PREFECTURE'S PEOPLE'S REVOLUTIONARY COMMITTEE (WHICH REPLACED THE PREFECT), IN COOPERATION WITH THE POLICE, OCCUPIED THE FOUR PRIVATE BANKS AND THE "INTER" MONEY CHANGING PREMISES IN VIENTIANE TO VERIFY ACCOUNTS AND TO CONFISCATE MONEY OF "AMERICAN IMPERIALISTS" AND "CAPITALIST TRAITORS WHO HAVE TAKEN REFUGE ABROAD." THE ARTICLE STATES THAT THE POLICE AND CITY OFFICIALS WERE CARRYING

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OUT A COURT ORDER TO CONFISCATE THE PROPERTY OF THE

31 LAO CONDEMNED AS TRAITORS BY A LAO COURT ON
SEPTEMBER 4.

2. THE LAO VIENG BANK, WHICH WAS TAKEN OVER BEFORE THE
OTHERS (ON SEPTEMBER 6), APPEARS TO BE IN A DIFFERENT
CATEGORY, AS IT IS IDENTIFIED IN THE LPF NEWSPAPER AS
BEING OWNED BY "REACTIONARY CAPITALISTS AND NATIONAL
TRAITORS." (THE SANAMIKONE FAMILY HAD AT LEAST A
PARTIAL INTEREST IN THIS BANK.)

3. LPF NEWSPAPER ACCOUNT STATES THAT MANAGERS OF EACH
BANK WERE READ LAO COURT SENTENCES ON THE 31 LAO CON-
DEMNED AS TRAITORS AND WERE TOLD ALL BANK ACCOUNTS
WOULD BE VERIFIED. NEWSPAPER STORY SAYS BANK MANAGERS
WERE ADVISED TO CARRY ON DAILY BUSINESS TRANSACTIONS.
HOWEVER, POLICE STATIONED OUTSIDE THE BANKS HAVE BEEN
TURNING AWAY BANK CUSTOMERS SINCE SEPTEMBER 8.

4. WE UNDERSTAND FROM FRENCH EMBOFF THAT FRENCH
NATIONAL ROBERT MISERY, ACTING DIRECTOR OF BANQUE DE
L'INDOCHINE, HAS NOT BEEN ALLOWED TO LEAVE THE BANK
SINCE POLICE ARRIVED ON SEPTEMBER 8. IT IS IMPOSSIBLE
TO TELEPHONE BANK, AND WHEN FRENCH COUNSELOR WENT OVER
TO DISCOVER WHAT WAS HAPPENING ON MORNING SEPTEMBER 9,
HE WAS TURNED AWAY WITHOUT BEING ALLOWED TO SEE MISERY.
FRENCH EMBOFF SAID HIS EMBASSY HAS NO FURTHER INFORMA-
TION ON WHY BANQUE DE L'INDOCHINE WAS CLOSED OR HOW
LONG IT WOULD BE CLOSED. WIFE OF OFFICIAL OF BANQUE
DE L'INDOCHINE HAD HEARD FROM HER HUSBAND THAT BANK WAS
EXPECTED TO BE CLOSED FOR FOUR OR FIVE DAYS WHILE
PATHET LAO POLICE LOOKED INTO ACCOUNTS. HOWEVER,
FRENCH EMBASSY UNABLE TO CONFIRM THIS.

5. EMBASSY HAS CURRENT ACCOUNT IN KIP IN BANQUE DE
L'INDOCHINE AND, ON THAT BASIS, WE HAVE ASKED FOREIGN
MINISTRY OFFICIAL HOW WE CAN WITHDRAW MONIES IN THAT
ACCOUNT IN EVENT OF NEED. MFA OFFICIAL SAID HE WOULD
CONTACT NATIONAL BANK OF LAOS TO SEE IF WE COULD DRAW
KIP THROUGH NBL. (FYI. WE ALSO HAVE KIP ACCOUNT
WITH NATIONAL BANK OF LAOS, WHICH IS NOT CLOSED, SO
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CAN OPERATE WITHOUT ACCESS TO KIP ACCOUNT IN BANQUE
DE L'INDOCHINE FOR A TIME. END FYI.) ONLY OTHER
BANK CURRENTLY OPEN IN VIENTIANE IS SPECIALIZED,
GOVERNMENT-OPERATED DEVELOPMENT BANK OF LAOS.
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